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Portugal

Dairy and Products

Annual

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Approved by:
Leslie O'Connor
U.S. Embassy, Madrid
Prepared by:
Leonor Ramos

Report Highlights:
After exceeding the national 1.867 million Mt EU-assigned production quota in 1999/00, Portuguese milk production is expected to remain at 1.86 million Mt during CY-2001, and at 1.91 in 2002. The sector will tend to move towards stability over the medium-term, as sector restructuring intensifies. The activity of the local industry remains focused upon treated milk production. Dairy imports are increasing and are dominated by processed products such as yoghurts, cheese and frozen desserts. Market opportunities for the U.S. include frozen desserts as well as dairy genetics. 1 USD = 223 Pte.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

After a decade of continuous expansion, Portuguese cow milk production exceeded the national 1.867 million Mt EU-assigned dairy quota during the 1999/00 EU marketing year, triggering EU farmer financial penalties. Producer concerns with quota-related penalties as well as several unusual production problems led to a large reduction in total 2000/01 milk production, which nevertheless remained some 8,000 Mt over the quota. In 2001, cow milk production is expected to remain under 2000 levels, at 1.91 million Mt. Cow milk production is expected to rebound in 2002, due to attractive producer prices and a significant replacement of dairy cattle stock with higher yielding animals. National dairy production is expected to stabilize over the medium-term at the level of the national EU-assigned quota, now slightly boosted by an additional 73,000 Mt to account for Azorean on-island consumption, in accordance with EU Council Regulation 1453/2001which institutes the revised EU regime for ultra-peripheral regions.

In spite of significant industry restructuring, the national dairy mix remains dominated by fresh milk, which accounted for 45 pct of total 2000 collected cow milk. However, with national per capita consumption levels above the EU average at 90 Kg/hab/year, the share of collected milk which is to be sold as fresh milk is expected to decrease moderately over the medium-term. Encouraged by domestic demand trends, medium-term processed dairy product production will tend to continue to increase, especially in the areas of yoghurt, cheese and frozen desserts, as Portuguese dairy consumption patterns becomes increasingly harmonized with the EU average as expected. Due to the dairy mix dominance by fresh milk, Portugal is a net fresh milk exporter, with total CY 2000 milk exports totaling as much as 192,651 Mt. However, the country remains a net importer of processed dairy products, especially yoghurt, cheese, and frozen desserts. Some of this imports are expected to be displaced over the medium-term by locally manufactured products. Due to the multinationals powerful R & D departments, as well as increasingly diversified domestic consumption patterns, processed dairy product imports are expected to remain strong in the future.

Trade opportunities for the U.S. in the dairy sector will tend to remain confined to dairy genetics ($ 224,000 of U.S. origin during Jan-Jul 2001), and frozen desserts and ice creams.

1 USD = 223 Pte

Commodity Name: Fresh Milk

Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Dairy, Milk, Fluid				(1000 HEAD)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Cows In Milk	348	357	0	355	0	353
Cows Milk Production	1860	1890	0	1860	0	1910
Other Milk Production	138	138	0	138	0	138
TOTAL Production	1998	2028	0	1998	0	2048
Intra EC Imports	45	86	0	100	0	105
Other Imports	0	0	0	0	0	0
TOTAL Imports	45	86	0	100	0	105
TOTAL SUPPLY	2043	2114	0	2098	0	2153
Intra EC Exports	120	192	0	212	0	210
Other Exports	1	1	0	1	0	0
TOTAL Exports	121	193	0	213	0	210
Fluid Use Dom. Consum.	820	819	0	815	0	823
Factory Use Consum.	1102	1102	0	1070	0	1120
Feed Use Dom. Consum.	0	0	0	0	0	0
TOTAL Dom. Consumption	1922	1921	0	1885	0	1943
TOTAL DISTRIBUTION	2043	2114	0	2098	0	2153
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Production

General

After a decade of continuous expansion, Portuguese cow milk production exceeded the national 1.867 million Mt EU-assigned dairy quota during the 1999/00 EU marketing year by 57,000 Mt. Farmer concerns with the penalties due to over-quota production (see Policy) and a combination of several unusual production problems led to a large reduction in total 2000/01 milk production, which nevertheless remained some 8,000 Mt over the quota. Bad winter weather conditions affected 2000/01 milk yields by restricting access to pastures, especially in the Azores. Further, special anti-BSE measures implemented after October 2000 led to the slaughtering of large numbers of dairy animals and the establishment of restrictions to cattle imports, with consequences on national total milk yields. Finally, a special dairy quota purchase program was implemented by local authorities in 2000/01, which led to 8,000 producers leaving the sector (see Production Structure, below). After quite calamitous production conditions during the first semester of 2001, dairy monthly production rates started to recover after June 2001, to eventually surpass 2000 monthly rates after August 2001. On a calendar year basis, 2001 cow milk production is expected to remain below 2000 levels, despite the higher second semester milk yields. Given present production trends, cow milk production is expected to expand in 2002, due to the effects of encouraging producer prices and dairy cattle stock replacement with higher yielding animals.

National medium-term dairy production is expected to stabilize at the level of the national EU-assigned quota, now slightly boosted by 73,000 Mt of estimated on-island *Azorean* fresh milk consumption, as instituted by the revised EU special regime for ultra-peripheral regions (see Policy). *Azorean* farmers continue to nurture the goal of obtaining further increases to the island's dairy quota. However, restrictions of a policy nature (see Policy), and new production-related issues will likely tend to curtail these aspirations. The most recent European BSE crisis at the end of 2000 led to significant financial losses for dairy farmers, as spent cows and dairy calves, previously important dairy "by-products", ceased to have a market. Further, increasing *Azorean* dairy production is reported to be generating processed dairy product surpluses, as most of the production on the islands needs to be processed prior to exporting due to the high costs associated with moving products off the islands. Finally, emerging pollution problems, especially in the main *S. Miguel* dairy island, are considered to be to some extent the result of intensive production systems, namely phosphate use for fertilizer in pastures. Regional authorities are increasingly applying regulatory pressure in this area.

Production Structure

Production structure in the Portuguese dairy sector remains extremely fragmented, in spite of major structural progress achieved over the past decade. Local AGMIN sources report a 74 pct reduction in the total number of dairy farms from 1993 until 2000 under the effects of the Single Market. However, due to improved genetics, dairy cow inventory numbers were only reduced by 8.4 pct. During the same period, average farm size increased from four to eleven dairy-cows/farm, while average yields had a large 24.4 pct increase; reaching 96 pct of the EU average (for key dairy structural indicators, please check table below). With 51 pct of the total number of producers accounting for only 4.4 pct of total 2000/01 milk deliveries (please check Milk Collected tables below), the national dairy sector is expected to undergo additional, significant re-structuring over the medium-term. The number of farmers in the "under 20 Mt/ year" milk yield group (i.e., less than five cows/farmer) is expected to be drastically reduced, especially in mainland Portugal. This is largely expected to take place through the influence of dairy cooperatives, namely by the closing down of old, small-farmer support services. Farmer-owned organizations account for more than 50 pct of total milk collected and have been recently forced by increasing competition from imported dairy products to restructure their expensive network of collective milking parlors and milk collecting centers. Several have already closed in the recent past. These cooperatives are expected to continue to pursue a phase-out strategy in this area and "corporate" policies of the old dairy cooperatives will likely force large numbers of small farmers out of this market in the future. For data on production breakout by milk delivery system, please see table below.

Key Dairy Structural Indicators

		1998	1999	2000	Variation (2000-92)/ 1992	Variation (2000-1996)/ 1996
Dairy Cow Numbers (1,000 Head)		355	351	349	- 8.4%	- 3.6 %
Number of Farms (Producers)		40,901	36,048	23,846	- 74.1 %	- 51.8 %
Total Production (Mt)		1,850	2,009	1,942	15.5 %	8.8 %
Cow Number per Farm	Portugal	9	10	11	148.8 %	46.6 %
	Portugal as % of EU Average	31	34	35	63 %	20 %
Cow Yield (Mt)	Portugal	5,160	5,691	5,549	29.6 %	12.9 %
	Portugal as % of EU Average	92	100	96	12 %	5 %
Delivery per Farm (Mt)	Portugal	42	51	57	244.0 %	73.0 %
	Portugal as % of EU Average	28	32	33	91 %	31 %

Portugal: Milk Collected during the 1999/2000 Marketing Year
(Corrected Deliveries)

Mt/ Producer/ Year	Mainland Portugal		Azores Islands		Madeira		TOTAL	
	Producer Numbers	Delivered	Prod. Numb.	Delivered	Prod. Numb.	Delivered	Prod. Numb.	Delivered
< 20	16,723	105,699	1,322	12,146	463	1,348	18,058	119,193
> 20 < 80	5,223	216,006	1,680	78,273	2	64	6,905	294,343
> 80 < 160	2,028	229,775	1,128	130,112	2	214	3,158	360,101
> 160 < 400	1,719	424,540	844	198,401	1	177	2,564	623,118
> 400 < 750	367	191,255	110	55,655	1	563	478	247,473
> 750	162	254,905	20	22,692	-	-	182	277,597
Total	25,772	1,422,180	5,104	497,279	469	2,366	31,345	1,921,825

Units: Mt Source: Portuguese AGMIN.

Portugal: Milk Collected during the 2000/2001 Marketing Year
(Effective Deliveries)

Mt/ Producer/ Year	Mainland Portugal		Azores Islands		Madeira		TOTAL	
	Producer Numbers	Delivered	Prod. Numb.	Delivered	Prod. Numb.	Delivered	Prod. Numb.	Delivered
< 20	10,440	68,625	1,204	10,917	336	1,020	11,980	80,562
> 20 < 80	4,090	177,995	1,493	69,099	4	179	5,587	247,271
> 80 < 160	1,892	215,417	1,165	134,212	2	246	3,059	349,674
> 160 < 400	1,669	408,729	883	211,565	0	0	2,552	620,294
> 400 < 750	360	185,456	110	54,825	1	584	471	240,885
> 750	174	271,583	23	25,697	0	0	197	297,280
Total	18,625	1,327,804	4,878	506,313	343	2,028	23,486	1,836,145

Units: Mt Source: Portuguese AGMIN.

Portugal: First Quarter Mainland Portugal Milk Collected:
2000/2001 vs. 2001/02 Marketing Years

Mt/ Producer/ Year	2000/01		2001/02	
	Produced	Delivered	Produced	Delivered
< 20	9,677	25,715	7,589	24,289
> 20 < 80	3,883	51,544	2,545	42,451
> 80 < 160	1,798	58,129	1,766	52,599
> 160 < 400	1,598	106,916	1,637	102,169
> 400 < 750	345	47,717	359	46,751
> 750	166	68,633	177	70,229
Total	17,467	358,653	15,073	338,488

Units: Mt. Source: Portuguese AGMIN.

Portugal: Milk Production Break-Out by Collecting System

Year	Liters (1000 l)	Producer Number (1000)	Individual		Collective Milking Parlors			Milk Collecting Posts		
			Liters	Prod Numb.	Liters	Parlor Number	Prod. Num.	Liters	Post Num.	Prod. Numb.
1996	764,950	23,999	514,757	3,957	120,373	783	7,609	129,865	1,113	12,433
Share in 1996 Total			**67 %**	**16 %**	**16 %**	**-**	**32 %**	**17%**	**-**	**52 %**
1997	796,184	20,993	572,575	4,092	100,780	660	6,024	122,828	1,068	10,877
1998	805,694	17,296	622,126	4,199	81,829	541	4,553	101,739	938	8,544
1999	844,103	14,078	690,622	4,124	69,475	440	3,403	83,825	804	6,528
2000	834,619	9,210	733,439	3,971	53,277	306	2,114	47,902	440	2,872
Share in 2000 Total			**88 %**	**43 %**	**6 %**	**-**	**23 %**	**6 %**	**-**	**31 %**
(2000-1996)/ 1996 Var.			**42 %**	**0.4 %**	**- 56 %**	**- 61 %**	**-72%**	**- 63%**	**-60%**	**-77%**

Source: Portuguese AGMIN.

Milk production continues to be concentrated in the "*Entre Douro e Minho*" (EDM) and "*Beira Litoral*" (BL) regions in the mainland, as well as in the "Azores" islands. These three regions combined account for roughly 75 pct of local dairy farm numbers and milk outputs. Regional concentration increased over the 1997-99 period, as Azorean milk production grew by 20.5 pct, *Alentejo* production by 17.6 pct, EDM production by 11.6 pct and *Trás os Montes* production by 14.6 pct. Milk production in other regions remained stagnated or were reduced.

Under the milk quota management regime, local authorities facilitated the retirement of 8,000 farmers (7,000 from mainland Portugal) during 2000/01, whose quotas reverted to the national reserve. According to local authorities, 85 pct of farmers who abandoned production were "small producers" and fell within the "maximum 20 Mt/year milk production category. Mainland production is expected to become even more concentrated in EDM over the medium-term. In contrast with BL (another former leading dairy district), EDM has been able to successfully overcome the critical small-farm-dimension problem, partly due to the location of the largest national cooperative-owned milk factory in EDM, as well as to EDM's excellent road infra-structures. Benefitted by a favorable location relative to key roads and to the presence of large, modern dairy producers, the *Ribatejo* and *Alentejo* regions are expected to continue to gain importance in the national dairy sector, though growth will be limited by the dairy quota regime. In the *Azores*, some progress in restructuring the industry at the farm level is also expected. However, given the importance of territorial issues which will tend to mitigate purely economic factor influences, farmer concentration trends are not expected to be as strong as in mainland Portugal.

Producer Prices

Average monthly producer prices in mainland Portugal during 2000/01 and part of the 2001/02 marketing year are given in table below.

Average Producer Prices in Mainland Portugal (Individual Producers)

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar.
	Units: PTE/Liter											
2000/01	60.91	58.65	58.29	57.41	57.81	58.96	61.58	62.31	61.86	60.64	60.96	61.35
2001/02	61.71	61.85	61.58	63.49	63.46							
Incr. (%)	1.3	5.4	5.7	10.6	9.8							

Consumption

On the rise until 2000, national total fresh milk use was significantly reduced in CY-2000 due to the closing of the large Nestlé-owned yoghurt factory during the second semester of the year. Another reduction in total fresh milk use is anticipated for 2001, with the Portuguese dairy industry association (ANIL) reporting that the effects of the closing of the Nestlé factory continued to affect total factory demand for milk during the current year. Due to local dairy industry renovation projects scheduled for implementation in 2001 and 2002, national total fresh milk consumption is likely to recover in 2002.

After a slight increase in 2000, domestic fresh milk consumption at retail is expected to decrease by an almost imperceptible 0.5 pct during CY-2001. Given current fresh milk per capita consumption levels of 90 kg/hab/year, above the EU average, it is generally believed that total national fresh milk consumption at retail is likely to decrease somewhat in the mid-term. As local consumers will tend to replace fluid milk with an increasingly sophisticated range of processed dairy products (which in past recent years expanded at 3 to 3.5 pct yearly rates), Portuguese consumption patterns will tend to become harmonized in the future with the EU average dairy consumption structure. Among new trends, pasteurized milk sales are reported to have regained relative market position in the national 2000 fresh milk mix, after twenty years of consecutive reductions. This is considered to result from local health concerns largely nurtured by the recent food safety alarms in Europe, as well as by the development of a market for natural, organic products. A moderate expansion in total fresh milk consumption at retail is forecasted for 2002 as a consequence of the launching of new milk brands over the next year. Total 2002 milk consumption will tend to remain below the maximum one pct growth limit considered viable in light of recent past year milk consumption variations. New milk brands have reportedly been developed to address the health-conscious segment, and are to be promoted as containing specific anti-cholesterol factors.

The closing of the Nestlé yogurt factory during the second semester of 2000 affected national demand levels for fresh milk for processing during 2000 and 2001. Total milk use for processing is expected to increase in 2002 due to the implementation of large investment projects over the current and next few years (see industry structure). Processed dairy product production will tend to increase over the medium-term, due to the expansion of high-value, differentiated products. Yogurt, which till 1999 benefitted from double-digit growth rates, will tend to remain one of the rapidly-expanding dairy products over the medium-term; expected to achieve a 4.5 pct growth during 2001. Other dairy products experiencing expanding demand include cheese (annual average growth rates of three to five pct), and frozen dairy desserts. The share of key dairy products in total dairy sales, and variations in dairy quantity and value sales according to Nielsen data, are given in the tables below.

Portugal: Nielsen Dairy Market Distribution

	1998	1999	2000
Market Value (10 6 PTE)	161,554	171,060	192,841
Milk	37 %	35 %	33 %
Flavored Milk	3 %	3 %	3 %
Cheese	27 %	26 %	26 %
Butter	4 %	4 %	4 %
Frozen Desserts	5 %	7 %	8 %
Yogurt	21 %	22 %	23 %
Other Dairy Products	3 %	3 %	3 %

Source: A.C. Nielsen

Dairy Market Indicators

	1995 = 100		1998		1999		2000	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Milk	100.0	100.0	104.9	105.6	104.2	107.6	108.1	114.8
UHT Milk	100.0	100.0	107.8	108.0	108.4	111.5	112.5	119.0
Pasteurized Milk	100.0	100.0	77.9	83.6	64.4	71.2	65.2	75.4
Flavored Milk	100.0	100.0	120.1	125.6	124.1	132.8	134.2	149.6
Butter	100.0	100.0	102.6	100.3	101.3	96.7	127.1	118.4
Cheese	100.0	100.0	105.8	105.2	115.8	108.5	122.5	119.9
Yoghurt	100.0	100.0	138.8	133.4	151.1	143.6	172.3	169.0
Frozen Dessert	100.0	100.0	192.2	183.2	212.7	196.7	229.2	223.9
Fermented Milk	100.0	100.0	N.d.	N.d.	100.0	100.0	148.0	161.0
Other Products	100.0	100.0	108.2	101.7	108.4	101.4	121.1	113.3
Condensed Milk	100.0	100.0	111.3	105.4	113.4	108.8	121.6	118.1
Powder Milk	100.0	100.0	65.9	59.7	57.5	64.3	57.5	64.3
Cream	100.0	100.0	108.9	110.5	109.2	111.3	122.5	128.4

Source: A.C. Nielsen

Industry Structure

The Portuguese dairy industry structure is dominated by farmer cooperative-owned Lactogal and by foreign multinational companies. Owned by the three leading cooperative unions, Lactogal is one of the largest Iberian groups, with direct control over more than 50 pct of Portuguese milk production, and the almost undisputed leadership of the national retail packed milk market. In response to the Single Market challenge the farmer cooperatives and Lactogal has been undergoing a process of re-structuring. With the milk collecting activity relegated to the dairy cooperatives, Lactogal's UHT milk is presently produced in the *Vila do Conde* former AGROS factory in EDM, "special milk" products in the former LACTICOOP factory in *Tocha*, and fresh dairy products (yoghurt and others) in the *Oliveira de Azeméis* PROLEITE factory. In order to improve and standardize national cow-milk cheese production (which is considered the most disorganized dairy sub-sector) Lactogal has plans to build a new factory in *Santarém* in 2002. In addition to an industrial concentration strategy, new investment aims at providing Lactogal the advantage of geographic proximity with large-size *Ribatejo* and *Alentejo* dairy farmers, as well as easy road access to the whole Iberian market for the end-products. The new Santarém unit will replace two outdated cheese factories located in mainland Portugal, and is also intended to process Non-Fat Dry Milk (NFDM) produced in the Azorean Lactogal-controlled factory. Over the coming year, Lactogal is also to re-locate its *Vila do Conde* milk factory due to environmental reasons related to its present location excessively close to urban areas. In its Azorean factory, Lactogal produces cheese, butter and NFDM. With un-defined internationalization plans, Lactogal has recently opened an office in Madrid, and is expected to buy a factory in Spain the future.

The multinational's presence in Portugal is also strong, especially in the yoghurt and frozen dessert manufacturing area in which, due to powerful R&D departments and aggressive marketing strategies, they have played the role of product innovators and introducers. "Danone", "Yoplait" and "Parmalat" have industrial units in Portugal, the latter accounting for about 7-8 pct of total milk collected in the country. After closing its Portuguese yoghurt factory in 2000, Nestlé continued to have a strong presence in the local dairy market through high yoghurt imports from other EU countries, with which it has continued to develop the local market after abandoning the production activity in Portugal. Other trends at the Portuguese dairy industry level include an industrial concentration trend toward medium-size factory levels, which has also included integration between Portuguese and Spanish medium-size units. Industry sources report that two medium-size processors have been recently purchased by Spanish groups, and several partnerships made between medium-size Portuguese and Spanish groups.

Trade

Portuguese CY-2000 fresh milk imports suffered a moderate reduction relative to CY-1999 levels as result of a slowdown in domestic milk processing activity. In CY-2000, fresh milk imports in bulk were 13,725 Mt, down from 18,933 Mt in CY-1999, while packed milk had a large 31 pct expansion, totaling 72,583 Mt, which consisted primarily in private labels supplied by Spanish milk factories to large local super-market chains. During Jan-Jul 2001, imports of both bulk and packed milk had large increases due to the need of local processors to find new milk suppliers in Spain to replace mainland Portugal-contracted producers who took to selling increasing quantities of milk into Spain. During this period, milk in bulk accounted for 17 pct of total milk volume imports, up from 13 pct in Jan-Jul 2000. Due to increasing levels of integration between Portuguese and Spanish dairy sectors, total fresh milk imports are expected to continue to increase in 2002.

Booming Portuguese fresh milk exports in 2000 consisted primarily of milk exported in bulk into Spain (103,290 Mt in CY 2000, up from 44,608 Mt in CY-1999). Packed milk exports remained almost unchanged at 98,360 Mt (101,617 Mt in CY-1999). According to official national data from INE, Jan-Jul 2001 milk exports in both bulk and packed milk forms were largely reduced. However, large milk exports during the second semester of the year are expected to lead to an increase in full-2001 exports. These are said to result from an intense activity of Spanish middlemen operating mostly in the *Ribatejo* and *Alentejo* regions, from where the milk is transported by truck into Spanish processing plants. Demand for large quantities of high-quality milk by Spanish factories is reportedly strong, as the Spanish industry has attempted to "cool off" rising domestic prices with larger milk imports. Total milk exports will tend to decrease in 2002, as a consequence of the larger domestic milk processing activity. Farmer selling into Spain will tend to remain significant, with the integration between Portuguese and Spanish dairy industries being largely encouraged by excellent road infra-structures and effective milk cooling/preservation technologies. Packed milk exports, which presently consist of LACTOGAL sales to the Spanish *Mercadona* distribution chain, are likely to remain strong.

While Portugal is a net fresh milk exporter, it remains a net importer of processed dairy products. Yoghurt is one of the leading dairy product imports, having accounted for $ 45 Million during CY-2000, and for $ 53 Million during Jan-Jul 2001. The boom in yoghurt imports is directly related to the closing of the local Nestlé yoghurt factory during the second semester of 2000 (see Industry Structure). Accordingly, yoghurt had a 96 pct increase in CY 2000 volume imports, which was followed by a 180 pct increase during Jan-Jul 2001 over Jan-Jul 2000 levels. Ice-cream is another rising import market. Local ice-cream imports had a 12 pct volume increase during CY-2000, up to 18,027 Mt, and a 41 pct increase during Jan/Jul 2001 over Jan-Jul 2000 levels. In value terms, total Jan-Jul 2001 ice-cream imports totaled $ 21 Million, 20 pct above Jan-Jul 2000 levels. Direct imports from the United States are relatively small ($ 70,000 in CY-2000). However, a large, unspecified volume of U.S. brand ice-cream is presently being brought in via Spain and from the U.K..

Trade Matrix, CY-1999 and 2000

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Fluid		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	50,147	Spain	57,722
France	21,033	France	19,965
Germany	2,512	Germany	8,430
Italy	453		
Total for Others	74,145		86,117
Others not Listed	230		192
Grand Total	74,375		86,309

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Fluid		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	142,792	Spain	190,605
France	1,420	France	983
Belgium	1,033	Other EU	232
Other EU	68	Angola	454
Angola	412	C. Verde	215
C. Verde	286	Ships	90
Ships	150		
Total for Others	146,161		192,579
Others not Listed	64		72
Grand Total	146,225		192,651

Trade Matrix, Jan-Jul 2000 and 2001

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Fluid		
Time period	Jan-Jul	Units:	Metric Tons
Imports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Spain	31,678	Spain	38,148
France	9,659	France	22,164
Germany	5,129	Germany	5,314
Total for Others	46,466		65,626
Others not Listed	95		47
Grand Total	46,561		65,673

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Fluid		
Time period	Jan-Jul	Units:	Metric Tons
Exports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Spain	114,890	Spain	89,181
France	850	France	403
Other EU	165	Other EU	56
Angola	212	Angola	261
C. Verde	125	C. Verde	119
Ships	60		
Total for Others	116,302		90,020
Others not Listed	46		106
Grand Total	116,348		90,126

Policy

Subject to EU policies and regulations since it joined the European Community in 1986, Portugal seems to be in the twilight of a new phase of EU-integration. Technical advances spurred national milk yields upward over the past decade, and sent national cow milk production over the national EU-assigned dairy quota in 1999/00. While the authorities managed to achieve a political solution to this problem (see below), continuing strong farmer demand for additional production quotas is to become a major structuring incentive for the Portuguese dairy sector. An active market for individual farmer quota exchange, the gradual elimination of small-farmer support services by the dairy cooperatives (see Production Structure) and quota purchase programs by the authorities are expected to strongly reduce the number of farmers in the "small farmer" category and to efficiently re-structure the national dairy sector. This trend is likely to not be so strong in the Azores, where a special disadvantaged status has enabled the implementation of a special production and reduced-tariff agricultural trade regime defined under the EU regime for "ultra-peripheral" regions - the POSEIMA.

The 57,000 Mt 1999/00 over-quota production, which triggered EU-set financial penalties of $ 19 million in producer fines, set off an alarm for Portuguese producers, and especially to Azorean ones, who accounted for $ 16 million of the total dairy penalty. Contrary to any expectations based on EU politics, the Portuguese authorities eventually managed to obtain a solution to the problem under the revised EU regime for ultra-peripheral regions. Accordingly, EU Council Regulation 1453/2001 which institutes the revised POSEIMA, establishes an additional amount of 73,000 Mt of milk production to be added to the island milk quota till 2003. Though established under the POSEIMA, this new provision was also used by the authorities to solve the mainland over-quota production problem by means of regular milk re-distribution mechanisms established under the quota management regime. After adding the 73,000 Mt to the island quota, the surplus quota thus obtained was allotted to *Entre-Douro-e-Minho* (which also exceeded its quota) to absorb the regional production surplus. The new 73,000 Mt amount has been instituted as a transitory measure, in effect till 2003 when it will be discussed under the EU mid-term dairy review. It is considered likely that the disposition will then be converted from transitory into definite. No further increases in Azorean quota are considered viable.

Strong demand for dairy products in the EU for most of 2001, reportedly driven by the diversion of some EU demand from beef into dairy products, reversed Agenda 2000-related expectations of lower producer prices, and reestablished some producer confidence in the future. Within upcoming policy changes, the WTO negotiations are considered to be the greatest challenge to the sector, namely for the potential impact of new market-access provisions. In light of recent achievements in EU negotiations with newly acceding East European countries, the EU-enlargement is currently not considered to be a serious menace to the Portuguese dairy sector. In particular, the terms of the agreements already reached with Poland, the largest dairy producer of the new EU-acceding countries, are considered to protect EU-15 producers from an invasion of low-priced Polish milk. Further, the quantitative restrictions set, including in the case of Poland, the impediment to market certain milk types that do not meet EU standards and requirements in the EU-15 territory, are viewed as a favorable signal to the EU extension of the EU dairy quota regime beyond 2003. Other than WTO-required changes, the 2003 EU mid-term review is basically expected to confirm the present *status quo* of present EU dairy policies.

Marketing

The Portuguese dairy farm sector continues to offer good opportunities to U.S. genetics, due to persisting structural deficiencies (see Production Structure section) and current needs to replace dairy cattle stocks. Demand for artificial insemination was especially high during 2001, due to the EU-set restrictions on cattle trade brought on by the BSE and FMD crises, and will tend to remain strong in the future. Due to its hygienic and economic advantages over natural breeding, artificial insemination is especially valued in the mid-Atlantic *Azores* islands. In this territory, U.S. genetics have been gaining a higher-profile as result of joint U.S./Azorean University applied research projects in artificial insemination and frozen embryo transfer technologies, sponsored by an U.S. Military cooperation agreement with the *Azores*. Local farmer organization contacts have further reported to Agoffice that U.S. cattle features are perceived to have been largely improved in recent years. Accordingly, they are considered to have acquired better leg configuration properties, which tend to extend the duration of the cows in the herd. Other competitiveness factors include the perceived attractive visual qualities of U.S. dairy cattle, which reflects favorably in the valuation of the animals after a few lactation cycles. This is especially useful to farmers who focus of the exploitation of the peak milk yield years, and then sell the animals to other farmers. Comparatively high prices, and the good technical services provided by competing Canadian firms are generally indicated as factors affecting the competitiveness of U.S. genetics. Cooperator activities in this market in coordination with on-going University projects in applied genetics could contribute to re-capture sales in this market. During Jan-Jul 2001, Portuguese cattle semen imports totaled $ 517,000, of which $ 224,000 were of U.S. origin, $ 142,000 of Canadian origin, and $ 128,000 of Dutch origin.

In the dairy products area, the frozen dessert segment continues to offer the most attractive business opportunities to U.S. exporters. Present diversification of consumption trends of consumers, and the high margins in this product area continue to create conditions for the United States to increases sales in this market. U.S. brand presence is significant in Portugal, due to imports of large quantities of US-brand ice-cream manufactured in Europe and shipped into Portugal. Though the market can be best explored from a regional manufacturing basis, direct exportation of well-differentiated dairy products is also viable.

Commodity Name: Dairy, Cheese

PSD Table						
Country	Portugal					
Commodity	Dairy, Cheese				(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	0	0	0	0	0	0
Production	85	82	0	85	0	88
Intra EC Imports	17	24	0	28	0	30
Other Imports	0	0	0	0	0	0
TOTAL Imports	17	24	0	28	0	30
TOTAL SUPPLY	102	106	0	113	0	118
Intra EC Exports	2	2	0	2	0	2
Other Exports	1	1	0	1	0	1
TOTAL Exports	3	3	0	3	0	3
Human Dom. Consumption	99	103	0	110	0	115
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	99	103	0	110	0	115
TOTAL Use	102	106	0	113	0	118
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	102	106	0	113	0	118
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	1	0	1	0	1

Production

National 2001 cheese production is expected to increase under the encouragement of favorable consumption trends, with the national statistics office (INE) reporting a 4.4 pct increase in first semester 2001 domestic cow cheese outputs. Portuguese cheese production is expected to continue to expand in 2002 as well over the medium-term. Produced primarily for the domestic market, the local cheese mix continues to consist of a mostly stable product mix, dominated by so-called "Flamengo", an Edam-type cheese, and by a soft paste cheese generally denominated "plate-type" cheese. The un-differentiation of the local cheese production has proven to be both the industry's main strength and weakness, as while national brands enjoy considerable consumer fidelity, the needs of the higher-end consumer segments and specific market niches remain unattended by local producers. Some product innovation has been made in the past, and the industry is expected to continue to pour efforts into the development of new, differentiated products in the future, in order to regain market from imported cheese types, a trend which is to gain new breath with the on-going industry re-structuring.

The local cheese industry remains characterized by a high concentration of production, as well as by the existence of a large number of small, inefficient operators. An important step towards the cheese industry re-structure will be the construction of the new LACTOGAL cheese factory in 2002 (see Industry Structure under Fresh Milk). In addition to enabling LACTOGAL to concentrate its cheese manufacturing activity in a single plant, the investment will optimize raw material sourcing and cheese distribution costs, while conveying an increased production capacity to the group. On the other hand, large numbers of small, less effective cheese factories will tend to be closed down in the future, partly under the direct influence of LACTOGAL which is reportedly to set new restrictions to fresh milk supply to small-to-medium-size factories. Basically dependent upon the dairy cooperatives for fresh milk supply, the smaller factories will be critically affected by new restrictions to raw materials supply, given the current factory competitiveness for milk supplies. As with fresh milk, the cheese industry structure is also to be largely influenced by LACTOGAL. By strategically controlling milk sources, Lactogal can play a decisive role in dairy industry reform by driving away the smaller factories and generating a significant industry concentration and integration, while expanding and diversifying its own production.

Consumption

On an upward trend, and profiting from local per capita consumption levels below the EU-average, domestic cheese consumption is expected to continue to expand in CY-2001 and CY-2002, approaching the EU-average. Future domestic market growth is presently projected at three to five pct annually.

The bulk of the domestic cheese market is supplied by the local cheese industry, with imported cheese types accounting for seven to eight pct of the local market. An increasing share of total cheese consumption is being used by the industrial as well as by the hotel, restaurant and institutional sectors (HRI). The HRI sector accounts for a significant portion of imported cheese consumption. Due to the effects of the growth and diversification of the domestic industry, the imported cheese share of the local retail market has been decreasing moderately.

Cheese sale shares by types during Jan/Jul 2001 and Aug 2000-Jul 2001, provided by Nielsen, follow.

Distribution of Cheese Sales During Jun/July 2001

Market Share by Cheese Types	Edam-type "Flamengo"	Cured Cheese	Fresh cheese + Curd	Processed cheese	Other cheeses	TOTAL
In Quantity (%) In Value (%)	50.2 % 45.6 %	25.8 % 27.9 %	13.0 % 11.5 %	4.4 % 5.3 %	6.6 % 9.7 %	100 % 100 %
Variation						
Quantity vs April/May 2000 Quantity vs. June/Jul 2000	0.8 % 4.2 %	- 4.4 % - 7.9 %	6.6 % - 3.0 %	10.0 % - 3.0 %	- 5.7 % - 0.8 %	0.0 % - 0.8 %
Value vs. April-May 2001 Value vs. Jun-Jul 2000	2.7 % 7.7 %	- 4.1 % - 4.4 %	5.3 % 5.4 %	11.2 % - 7.0 %	- 4.2 % - 4.2 %	0.7 % 1.8 %

Source: A.C. Nielsen

Distribution of Cheese Sales During August 2000/July 2001

Market Share by Cheese Types	Edam-type "Flamengo"	Cured Cheese	Fresh cheese + Curd	Processed cheese	Other cheeses	TOTAL
In Quantity (%) In Value (%)	48.9 % 44.0 %	27.2 % 29.5 %	12.5 % 10.9 %	4.4 % 5.3 %	6.6 % 9.7 %	100 % 100 %
Variation						
Quantity vs Aug 99/Jul 00 Value vs. August 99/Jul 00	11.3 % 13.0 %	-18.1 % - 6.5 %	12.6 % 17.4 %	5.7 % 3.4 %	0.2 % 4.5 %	0.6 % 5.5 %

Trade

Due to domestic industry's continued emphasis on traditional Portuguese cheeses (see Production), imports of foreign cheese types have continued to rise over in recent years. Total cheese imports are expected to increase in 2001 and in 2002. However, in the longer-term, it is expected that the local cheese industry's gradual restructuring efforts will tend to replace some cheese imports.

The largest share of Portuguese cheese imports is accounted for by cheese under the harmonized tariff schedule code numbers HS-0406.10.20 and HS-0406.10.80 accounting for 49 pct of total CY-2000 imports as well as 52.3 pct of total Jan-Jul 2001 volume imports, according to INE.. These cheese types correspond to low-fat, frozen and non-frozen cheese for slicing to be used by the hotel and restaurant sector.

Processed cheese imported under harmonized tariff schedule code numbers HS-0406.30.11, HS-0406.30.31 and HS-0406.30.90 had a moderate reduction during Jan-Jul 2001 relative to the same period in 2000, accounting for 13.3 pct of total cheese volume imports (14.5 pct of CY-2000 import totals). Consisting of a wide range of cheese types, the remaining cheese trade also decreased somewhat during Jan-Jul 2001 relative to Jan-Jul 2000 in terms of total volume, accounting for 34.7 pct of total Jan-Jul 2001 cheese imports (36.5 pct in CY-2000). Further expansions in cheese imports in the future are likely to be achieved through larger importation of cheese types indicated above, for HRI sector use. This trend is expected to continue over the medium-term, till the local cheese industry manages to develop new products which can competitively displace inexpensive foreign cheese for HRI use.

Portuguese cheese exports have remained stable and are mostly directed toward Portuguese emigrant communities abroad. This is the only dairy sector in which Portugal traditionally is capable of exporting some quantities into the United States. Consisting primarily of the Cheddar-like "Ilha" cheese, cheese exports to the United States are generally consumed by the Portuguese U.S. community. Portuguese cheese exports are expected to remain mostly stable over the medium-term.

Trade Matrix, CY-1999 and CY-2000

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Cheese		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	8,778	Spain	10,296
Germany	5,363	Germany	5,732
France	3,090	France	3,937
Netherlands	1,575	Netherlands	1,088
Denmark	941	Denmark	1,019
Belgium	559	Luxembourg	809
Other EU	358	Belgium	832
Switzerland	115	Other EU	380
Norway	11	Switzerland	109
Canada	2	Norway	12
Total for Others	20,792		24,214
Others not Listed	0		1
Grand Total	20,792		24,215

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Cheese		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.	572	U.S.	535
Others		Others	
Spain	1,313	Spain	1,012
France	234	Netherlands	296
Other EU	148	U.K.	193
Angola	190	France	150
Canada	118	Germany	135
Ships	98	Other EU	108
Brazil	30	Angola	203
		Ships	139
		Canada	109
Total for Others	2,131		2,345
Others not Listed	84		113

Grand Total	2,787		2,993

Trade Matrix, Jan-July 2000 and 2001

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Cheese		
Time period	Jan-Jul	Units:	Metric Tons
Imports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Spain	6,249	Spain	7,935
Germany	3,385	Germany	2,564
France	1,968	France	3,492
Netherlands	700	Denmark	607
Denmark	557	Netherlands	598
Luxembourg	265	Luxembourg	323
Belgium	265	U.K.	239
Other EU	242	Belgium	220
Switzerland	60	Other EU	142
Norway	5	Switzerland	94
Total for Others	13,696		16,214
Others not Listed	1		4
Grand Total	13,697		16,218

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Cheese		
Time period	Jan-Jul	Units:	Metric Tons
Exports for:	2000		2001
U.S.	242	U.S.	221
Others		Others	
Spain	524	Spain	459
Netherlands	253	Austria	167
France	89	France	82
Germany	69	U.K.	81
Other EU	60	Denmark	49
Ships	87	Other EU	44
Angola	83	Angola	121
Switzerland	17	Canada	41
		Switzerland	19
Total for Others	1,182		1,063

Others not Listed	61		57
Grand Total	1,485		1,341

Commodity Name: Dairy, Butter

PSD Table						
Country	Portugal					
Commodity	Dairy, Butter				(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	4	4	6	3	0	1
Production	27	25	0	24	0	23
Intra EC Imports	1	2	0	4	0	4
Other Imports	0	0	0	0	0	0
TOTAL Imports	1	2	0	4	0	4
TOTAL SUPPLY	32	31	6	31	0	28
Intra EC Exports	4	7	0	8	0	8
Other Exports	0	1	0	1	0	0
TOTAL Exports	4	8	0	9	0	8
Domestic Consumption	22	20	0	21	0	20
TOTAL Use	26	28	0	30	0	28
Ending Stocks	6	3	0	1	0	0
TOTAL DISTRIBUTION	32	31	0	31	0	28
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Production

Portuguese 2000 butter production is reported by INE to have suffered a slight 0.3 pct reduction relative to 1999 levels in reaction to a decrease in butter demand in foreign markets. Another mild reduction is forecasted for 2001. INE reports a 4.2 pct decrease in butter production for the first semester of 2001 relative to the same period in 2000. Further, industry sources reported that deteriorating butter export prospects after August 2001 have led to further activity reductions, eventually forcing the reopening of intervention mechanisms by the authorities at the end of November. Given currently depressed butter demand levels, local 2002 butter production will tend to suffer another moderate reduction relative to current year levels.

Changes in local butter production are largely dependent upon international demand as domestic demand has remained flat, giving its manufacturing an almost optional nature. Due to its dependency upon uncontrolled factors derived from foreign market conditions, butter production is also largely unpredictable. The Dairy Industry Association ANIL reports that about 95 pct of national butter production is sold to the food manufacturing industry. Industry innovation in this area has been limited, consisting primarily in packaging and image renovation efforts. In 2000, in an attempt to stimulate butter consumption, one of the leading butter manufacturers introduced a new, light butter brand with easy-to-spread properties. However, though this new butter is sold under a local brand-name, it is in fact produced in Belgium and then packaged in Portugal. No new products are known to be scheduled for market release in the near-term.

Consumption

Portuguese butter consumption is generally decreasing due to increasing health concerns, as well as the introduction of new alternatives for spreading. ANIL reports that the introduction in June 2000 of a new butter product (see Production) in expected to boost total CY-2001 butter consumption levels. Total consumption will tend to recede in 2002 though, after the effects of the new product stimulating local butter demand are eroded by health concern influences. According to ANIL, domestic packed butter consumption accounts for about 7,500 Mt, the remaining supply being used for processing.

Trade

Portugal is a net butter exporter (see Production). Due to increased butter imports from Belgium to repackage and sell domestically (see Production), local Jan-Jul 2001 butter imports increased moderately over Jan-Jul 2000 levels. However, due to strong demand for butter in Europe during the first part of 2001, Jan-Jul 2001 butter exports also had a large expansion over Jan-Jul 2000 levels. In any case, full-year exports will tend to be similar to last year's levels, with a slowdown in foreign demand after August 2001 depressing national exporting rates. Due to the current outlook in foreign butter demand, local 2002 butter exports are likely to come down as well.

Trade Matrix, CY-1999 and 2000

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Butter		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
France	1,314	France	901
U.K.	914	Spain	677
Belgium	357	Belgium	646
Spain	311	Other EU	41
Other EU	62		
Total for Others	2,958		2,265
Others not Listed	0		1
Grand Total	2,958		2,266

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Butter		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.	8	U.S.	11
Others		Others	
France	3,999	France	2,750
Germany	1,424	Germany	2,027
Spain	898	Spain	1,394
Other EU	183	Other EU	832
Morocco	176	Morocco	482
Angola	89	Angola	15
Total for Others	6,769		7,500
Others not Listed	38		128
Grand Total	6,815		7,639

Trade Matrix, Jan-July 2000 and 2001

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Butter		
Time period	Jan-Jul	Units:	Metric Tons
Imports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
France	597	Spain	531
Spain	295	France	404
Belgium	268	Belgium	289
Other EU	20	Other EU	23
Total for Others	1,180		1,247
Others not Listed	0		0
Grand Total	1,180		1,247

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Butter		
Time period	Jan-Jul	Units:	Metric Tons
Exports for:	2000		2001
U.S.	10	U.S.	6
Others		Others	
France	1700	Germany	1937
Germany	1300	France	1504
Spain	694	Spain	1420
Other EU	423	Belgium	819
Morocco	372	Netherlands	120
Angola	46	Other EU	72
		Morocco	924
		Angola	83
		Jordan	50
Total for Others	4535		6929
Others not Listed	14		34
Grand Total	4559		6969

Commodity Name: Milk, Nonfat Dry

PSD Table						
Country	Portugal					
Commodity	Dairy, Milk, Nonfat Dry				(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	0	0	0	0	0	2
Production	15	11	0	10	0	11
Intra EC Imports	4	5	0	7	0	4
Other Imports	0	0	0	0	0	0
TOTAL Imports	4	5	0	7	0	4
TOTAL SUPPLY	19	16	0	17	0	17
Intra EC Exports	5	3	0	2	0	3
Other Exports	1	1	0	0	0	0
TOTAL Exports	6	4	0	2	0	3
Human Dom. Consumption	12	11	0	12	0	11
Other Use, Losses	1	1	0	1	0	1
Total Dom. Consumption	13	12	0	13	0	12
TOTAL Use	19	16	0	15	0	15
Ending Stocks	0	0	0	2	0	2
TOTAL DISTRIBUTION	19	16	0	17	0	17
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Production

Due to a reduction in fresh milk production during the current year, national 2001 non-fat dry milk (NFDM) production will tend to remain below 2000 levels. In the *Azores* islands, where the bulk of local fresh milk production needs to be processed prior to exporting because of the high cost of moving products out of the islands, ANIL reports that first semester 2001 NFDM production has decreased six pct from first semester 2000 levels. A small expansion is forecasted for 2002 due to the larger fresh milk supply. NFDM production is mostly concentrated in the Azores, with surplus dried milk sent to mainland Portugal for use in processing.

Consumption

Local 2001 NFDM consumption is expected to expand relative to the previous year, as the reduction in fresh milk supply during the current year has boosted demand for milk substitutes for manufacturing processed dairy products. A moderate reduction in NFDM use is forecasted for 2002 due to the increased fresh milk production. The bulk of the local NFDM supply is used for processing by the local dairy industry, with a minor share being sold at retail.

Trade

Due to a slowdown in NFDM production during the current year, national 2001 non-fat dry milk imports will tend to expand substantially over previous year levels. Given a strong domestic demand for NFDM over the current year, local 2001 NFDM exports will tend to decline relative to previous year levels. Increased fresh milk production in 2002 will tend to decrease NFDM import levels over the next year while moderately encouraging exports.

Trade Matrix, CY-1999 and 2000

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Nonfat Dry		
Time period	Jan-Dec	Units:	Metric Tons
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	1,405	Spain	2,620
France	1,047	France	1,412
Netherlands	228	Netherlands	836
Ireland	210	Germany	134
Germany	194	Other EU	80
Other EU	197	Czech Republic	176
Czech Republic	272		
Total for Others	3,553		5,258
Others not Listed	0		31
Grand Total	3,553		5,289

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Nonfat Dry		
Time period	Jan-Dec	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	2,545	Spain	2,051
Netherlands	593	Netherlands	982
France	546	France	195
U.K.	299	Other EU	49
Other EU	390	Philippines	425
Angola	153	Angola	138
Turkey	57		
Total for Others	4,583		3,840
Others not Listed	109		204
Grand Total	4,692		4,044

Trade Matrix, Jan-July 2000 and 2001

Import Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Nonfat Dry		
Time period	Jan-Jul	Units:	Metric Tons
Imports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Spain	672	Spain	1,525
France	382	France	1,415
Netherlands	355	Netherlands	603
Other EU	83	Germany	325
		Other EU	216
		Czech Republic	159
		Slovakia	148
Total for Others	1,492		4,391
Others not Listed	0		24
Grand Total	1,492		4,415

Export Trade Matrix			
Country	Portugal		
Commodity	Dairy, Milk, Nonfat Dry		
Time period	Jan-Jul	Units:	Metric Tons
Exports for:	2000		2001
U.S.	0	U.S.	0
Others		Others	
Spain	1,513	Spain	1,217
Netherlands	766	Netherlands	246
France	192	France	167
Other EU	49	Other EU	110
Philippines	425	Angola	211
Angola	99	Mozambique	23
Total for Others	3,044		1,974
Others not Listed	149		17
Grand Total	3,193		1,991